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HEINE

13 January 1964

SUBJECT: 30 December 1963 Meeting with J. RAUS

1. Undersigned met with J. RAUS on 30 December 1963 from about 1105 to about 1300 hours in a downtown cafe. The meeting was called after the undersigned was apprised both by [] of SR/OSG and by [] of SR/DOB that RAUS had phoned and had requested to meet with the undersigned.

2. The following is pertinent:

a. RAUS explained that he had phoned because he wished to establish "what contingency plans CIA had made in the eventuality that a libel suit were filed against him by E. HEINE". Also, RAUS explained that he had concluded, after his last session with the undersigned, that "he would be left holding the bag".

b. RAUS went on to explain that HEINE seemed to be intensifying the attack against him (RAUS). However, RAUS was essentially unable to present anything new concerning HEINE which he had not reported earlier.

c. He indicated his great concern over the fact that he had, in his opinion, performed a major service for the Agency while the Agency seemed uninterested in assisting him in a difficult moment and situation.

d. He refused to face up to the fact that, while he had been entrusted with information by the Agency (by the undersigned) about HEINE, he had acted on his own (at that time stating that "let the chips fall where they may") and without instructions from the Agency. Now he was trying to blame the Agency for action which he had elected to take without coordinating (or informing) this with the Agency.

e. RAUS even resorted to mild threats by stating that the Agency "was obliged to come to his assistance as he would refuse to take the rap alone". He indicated that the Agency would ill afford adverse publicity. He also tried to point out that the Agency could not afford to sit back and do nothing while a Soviet agent was authorized to run around the USA unchecked and uncontrolled.

f. RAUS continued to insist that the Agency should provide him with a letter prepared on official Agency stationery, which he could present to the Estonian press and emigration as proof of the fact that HEINE was in fact suspected by the US Government.

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6. In general, however, RAHS gutted down considerably during the meeting and became more reasonable. While the undersigned was not able to satisfy RAHS entirely, RAHS was somewhat reassured and agreed to undertake no action which would provide HEINE further. Also, RAHS agreed to prepare a comprehensive report on HEINE and on HEINE's activities and in what has been learned about HEINE and this activities over the past year or so. Also, RAHS agreed not to panic or to jump to unwarranted conclusions. He became somewhat reassured after listening to the entirety of the [] case to that of HEINE, on being told that HEINE would encounter major problems in filing a libel suit from Canada against someone in the USA, on learning that a Soviet agent cannot afford to go to court because of the adverse publicity and of the damage to his reputation (even if he were to win the suit), and also on being told that, to all appearances, HEINE is spreading rumors of his own to wage a war of nerves against RAHS.

3. Other: [] of SA/DOS reported that RAHS had apparently spoken about the HEINE case to [] (employed by FOA) who reported many of the details to his CIA contact, [] of the, [] CIA [] in turn reported this to, [] of the Office of Security who called this to the attention of Chief, SR. []

[] Chief, SA/CS/D []